

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	7304	Agenda Number	5.
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Meeting Date:	6/23/2011	Department:	Austin Water Utility
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**Subject**

Approve an ordinance authorizing negotiation and execution of a contract with Creedmoor-Maha Water Supply Corporation (Creedmoor) to continue wholesale water service to Creedmoor, transfer Creedmoor’s water certificate of convenience and necessity to the City, and provide for interim water service from Creedmoor to existing Creedmoor customers; and waiving Section 25-9-322 of the Austin City Code for the assessment of water impact fees.

**Amount and Source of Funding**

There is no unanticipated fiscal impact to the City.

**Fiscal Note**

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	June 14, 2001 - City Council approved a resolution to negotiate and execute amendments to the wholesale water contracts.
For More Information:	Bart Jennings, 972-0118; Denise Avery, 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
MBE / WBE:	
Related Items:	

**Additional Backup Information**

Since 1965, the City of Austin (City) has provided wholesale water service to Creedmoor-Maha Water Supply Corporation (Creedmoor) through wholesale water agreements. The two contracts were renewed on June 14, 2001 and will expire in August and November 2011. Creedmoor has a water certificate of convenience and necessity (CCN) and obtains its water supply through multiple sources such as the City, the Barton Springs Edwards Aquifer Conservation District, and Aqua Water Supply Corporation. Creedmoor serves approximately 350 customers in the City’s extraterritorial jurisdiction (ETJ). The City’s wholesale water contracts since 1965 have not required Creedmoor’s collection and remittance of City impact fees to the City.

Creedmoor has agreed to transfer to the City all 14,269 acres of CCN located within the City’s ETJ, as shown on the attached map, for the City’s provision of retail water service. The City will not acquire the existing Creedmoor water system (which is not built to City standards) and Creedmoor has agreed to provide interim retail water service to its existing customers until water infrastructure has been constructed to enable those customers located in the City’s ETJ

to obtain City retail water utility service. City water infrastructure will be constructed by developers as future development needs dictate. In consideration, the City has agreed to: continue the practice of not charging Creedmoor the City's capitol recovery fees for wholesale water service; increase the maximum service level from 750,000 gallons per day up to 2 million gallons of wholesale water per day; and provide to Creedmoor a credit of \$0.09 per 1,000 gallons of wholesale water consumed by Creedmoor for a total dollar amount not to exceed \$3.6 million during the 40-year term of the agreement. The transfer of Creedmoor's CCN to the City is subject to the approval of the Texas Commission of Environmental Quality. All future City customers located within the area transferred to the City would pay the City's standard fees and charges including water impact fees. Creedmoor-Maha has agreed to City water conservation regulations for wholesale water usage.